

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF BIG SANDY RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
FOR AUTHORITY TO EXECUTE ITS NOTE)	
TO THE NATIONAL RURAL UTILITIES)	
COOPERATIVE FINANCE CORPORATION IN)	
THE AMOUNT OF \$297,000.00 AND FOR)	CASE NO. 9154
AUTHORITY TO EXECUTE A LOAN AGREEMENT)	
BETWEEN BIG SANDY RURAL ELECTRIC)	
COOPERATIVE CORPORATION AND NATIONAL)	
RURAL UTILITIES COOPERATIVE FINANCE)	
CORPORATION AND FOR A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY.)	

O R D E R

IT IS ORDERED that Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") shall file an original and 10 copies (unless otherwise specified) of the following information by November 7, 1984. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Provide details regarding any other financing options that were considered in securing the \$297,000 loan. This discussion should include the reason(s) that the CFC financing was selected over other methods, as well as details regarding any studies that were conducted in support of the CFC financing.

2. In negotiating the terms and conditions of the CFC loan, did Big Sandy consider the variable interest rate loan

program currently available through CFC? Provide details regarding the reasons that a fixed interest rate loan was negotiated instead of a variable interest rate loan.

3. Provide the additional debt service requirements, as well as a schedule of principal and interest amortization, for the \$658,000 REA loan and the \$297,000 CFC loan.

4. With regard to the additional debt service requirements associated with the REA and CFC loans, will Big Sandy be able to meet these additional obligations, as well as maintain the DSC and TIER covenants of its mortgage, with the level of revenue generated by the rates which the Commission approved in the Order of Case No. 8993 dated September 20, 1984.

5. Provide a copy of the loan agreement negotiated between Big Sandy and CFC for the \$297,000 loan.

6. Provide one additional copy of the 2-year work plan.

7. Provide one additional copy of the system map or maps.

8. Provide two copies of the system circuit diagrams showing voltage drops on the system before and after completion of the proposed work plan.

Done at Frankfort, Kentucky, this 25th day of October, 1984.

PUBLIC SERVICE COMMISSION

ATTEST:


For the Commission

Secretary